



# In St. Paul, Partnerships and Developer Incentives are Working to Restore Two Blighted Corridors

## St. Paul, MN

**W**ith an emphasis on forming partnerships, involving the local community, and providing incentives to developers, the St. Paul Port Authority has a proven track record of restoring the area's brownfields. The Port Authority's accomplishments include the transformation of a former concrete production facility into the Williams Hill Business Center, a \$28 million redevelopment project that now houses six companies in more than 415,000 square feet of office space, retaining 266 jobs in St. Paul while creating 407 others. This type of success earned St. Paul a Showcase Community designation in March 1998, an award that is hoped will assist in transforming 60 identified brownfields into 13 million square feet of business space—creating 13,000 new jobs and \$25 million in annual property tax revenues for the city.

Showcase Communities are selected by the Brownfields National Partnership to demonstrate that through cooperation, federal, state, local, and private efforts can be concentrated around brownfields to restore these sites, stimulate economic development, and revitalize communities. Showcase Communities serve as models for broad-based cooperative efforts to support locally based initiatives. Showcases receive up to \$400,000 from EPA for both environmental assessments and to support the loan of a federal employee to the Showcase for up to three years. Showcases receive additional financial and technical support from more than 20 federal partners, depending on the community need and program eligibility.

St. Paul's Showcase Community targets two areas for revitalization: the Phalen Corridor and the Great Northern Corridor. At least 11 brownfields lie along the abandoned rail lines of the Phalen Corridor, with tremendous potential for redevelopment once those sites are made accessible. Already, nearly 125 acres of Phalen Corridor's brownfields have been or are being restored. The Ames Lake Wetlands project at the corridor's east end saw the conversion of an abandoned strip mall into wetlands decorated with wildflowers and grasses. At the corridor's midpoint, a high school abandoned since 1964 is being renovated into a new elementary school and YMCA. On the west end, a former salvage yard and waste transfer station is on its way to becoming a new transit facility that will create 300 jobs.

St. Paul's Phalen Corridor Initiative, with the assistance of the Showcase Community, is involving the local community in developing reuse plans for the Phalen Corridor. Community workshops offer local representatives and other stakeholders the opportunity to be involved in brownfields reuse planning. The Port Authority is also ensuring that job creation and employment opportunities are made part of the process. The Authority requires businesses to use local residents to fill at least 70 percent of jobs created through site restoration. As

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- The Ames Lake Wetlands project at the Phalen Corridor's east end saw the conversion of an abandoned strip mall into wetlands decorated with wildflowers and grasses. On the west end, a former salvage yard and waste transfer station is on its way to becoming a new transit facility that will create 300 jobs.

***State partnerships formed by the Port Authority and Showcase Community have leveraged \$9.7 million in cleanup grants and \$4 million in annual redevelopment grants from the Department of Trade and Economic Development, and as much as \$7 million annually from the Twin Cities Metropolitan Council, to be used toward assessment and cleanup. These and other partnerships are helping St. Paul reach its goal of returning the Phalen and Great Northern Corridors to use.***

an incentive to redevelopment, the Authority offers municipally owned brownfields to purchasers for \$1, providing that the purchasers follow certain requirements, such as building on no less than 32 percent of the site, to provide for higher job creation potential; and creating at least one new job for each 1,000 square feet of building space. Partnerships aimed at restoring the Phalen Corridor include those with local community development corporations, the city of St. Paul, private developers, the Minnesota Environmental Initiative, and the Minnesota Housing Finance Agency. A partnership with the U.S. Department of Transportation provides more than \$12.2 million to help design roads that will allow access to the Phalen Corridor's restored brownfields.

Restoration efforts in progress along the Phalen Corridor include the 39-acre Westminster site, where environmental assessments funded by EPA's St. Paul Port Authority Brownfields Assessment Pilot are underway. The former Denny's Radiator building has been demolished and Pilot-funded assessments are taking place. Lastly, the Port Authority's Assessment Pilot is determining contamination levels on the Pierce Butler site, where a 60,000-square-foot building will eventually be returned to productive use.

St. Paul's Great Northern Corridor (GNC) is also being addressed by the Port Authority and Showcase Community. Once a rail crossroads and thriving economic area, the GNC is now home to outdoor storage areas and vacant industrial buildings. Restoration efforts are focused on the 58-acre Dale Street Shops/Maxson Steel site, where lead and organic compounds have been found in the soil. All of the community-based plans for the GNC indicate that restoration of this site is essential to revitalization of the entire corridor. In 1997, a collaboration between local organizations produced "The Great Northern Corridor: A Community Vision," which proposed developing the Dale Street Shops/Maxson Steel site as a light industrial park that would provide new jobs for the surrounding community.

As with the Phalen Corridor, the Port Authority is using financial incentives and valuable partnerships to move this project forward. The Authority is offering parcels of the site for \$1 to developers who adhere to construction and reuse requirements. In addition, Minnesota will provide Certificates of Completion for sites that have been cleaned up through the state's Voluntary Investigation and Cleanup program. The city and Port Authority have partnered to provide new utilities and an access road for the site, and Northern States Power will offer reduced electric rates for five years to companies who locate in the industrial park.

The Port Authority has already received inquiries from more than 28 companies looking at the site. One of those companies is a multi-billion-dollar corporation interested in transforming the Maxson Steel portion of the site into an operation that would create as many as 400 jobs. Eventually, the industrial park will be surrounded by new and restored housing units, and new commercial sites will emerge to meet residents' needs.

State partnerships formed by the Port Authority and Showcase Community to restore the GNC and Phalen Corridor have leveraged \$9.7 million in cleanup grants and \$4 million in annual redevelopment grants offered by the Department of Trade and Economic Development, and as much as \$7 million annually from the Twin Cities Metropolitan Council, to be used toward assessment and cleanup. These state partnerships—and those formed with local and federal entities, with assistance from the Showcase Community—are helping St. Paul reach its goal of returning both the Phalen and Great Northern Corridors to the industrial, commercial, and economic levels the areas once enjoyed. Mayor Norm Coleman, addressing the city's Chamber of Commerce, indicated that the Brownfields Showcase Community Initiative "is not just about government action—it is about community development and interaction."

## **CONTACTS:**

For more information on EPA's Showcase Communities, contact Tony Raia of OSWER's Office of Brownfields Cleanup and Redevelopment at (202) 566-2758

Or visit EPA's Brownfields Web site at:

<http://www.epa.gov/brownfields/>